

Table of Contents

State/Territory Name: Kansas

State Plan Amendment (SPA)#: KS-25-0002

This file contains the following documents in the order listed

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Medical Benefits Health Programs Group

April 14, 2025

Christine Osterlund
Medicaid Director
Division of Health Care Finance
Landon State Office Building
900 SW Jackson, Room 900-N
Topeka, Kansas 66612-1220

Dear Christine Osterlund,

The CMS Division of Pharmacy team has reviewed Kansas' State Plan Amendment (SPA) 25-0002 received in the CMS Medicaid Services OneMAC application on January 24, 2025. This SPA proposes to allow Kansas to enter into Value/Outcomes-Based Agreements with drug manufacturers on a voluntary basis.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 25-0002 is approved with an effective date of January 1, 2025. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into Kansas' state plan. If you have any questions regarding this amendment, please contact Charlotte Hammond at (410) 786-1092 or charlotte.hammond@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacts the signature of Mickey Morgan.

Mickey Morgan
Deputy Director, Division of Pharmacy

cc: William Stelzner, Kansas Department of Health and Environment
Ashli Clark, CMS, Medicaid and CHIP Operations Group

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 5</u> — <u>0 0 0 2</u>	2. STATE <u>KS</u>
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3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
Section 1927 of the Act, 42 CFR §447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 \$ 0
b. FFY 2026 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 3 1-A #12 a Page 6 New
Attachment 3 1-A #12 a Page 5

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
N/A
Attachment 3 1-A #12 a Page 5

9. SUBJECT OF AMENDMENT
Kansas Medicaid has received the Centers for Medicare and Medicaid Services (CMS) approval to enter into agreements with drug/product manufacturers, regarding rebates tied to drug effectiveness benchmarks, collectively called Outcomes-Based Agreement (OBA). ~~An Outcomes-Based Agreement with an Amendment form is being added.~~ The title of the agreement is Kansas Medicaid Value/Outcomes-Based Agreement (KSVOBA).

10. GOVERNOR'S REVIEW (Check One)

<input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT	<input checked="" type="radio"/> OTHER, AS SPECIFIED: Christine Osterlund is the Governor's Designee
<input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED	
<input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	

12. TYPED NAME
Christine Osterlund

13. TITLE
Medicaid Director

14. DATE SUBMITTED
January 24, 2025

15. RETURN TO
Christine Osterlund
Medicaid Director
Deputy Secretary of Agency Integration and Medicaid
KDHE, Division of Health Care Finance
Landon State Office Building
900 SW Jackson, Room 900-N
Topeka, KS 66612-1220

FOR CMS USE ONLY

16. DATE RECEIVED	17. DATE APPROVED <u>4/14/2025</u>
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
1/1/2025

20. TYPED NAME OF APPROVING OFFICIAL
Mickey Morgan

21. TITLE OF APPROVING OFFICIAL
Deputy Director, Division of Pharmacy

22. REMARKS

The state authorized the following Pen & Ink changes on 4/8/2025:

- a. Box 7 – Please strike “6 New” and add “5”.
- b. Box 8 – Please strike “N/A” and add “Attachment 3.1-A, #12.a., Page 5”.
- c. Box 9 – Please strike the last sentence, “An Outcomes-Based Agreement with an Amendment form is being added.” and add “The title of the agreement is Kansas Medicaid Value/Outcomes-Based Agreement (KSVOBA).”

KANSAS MEDICAID STATE PLAN

Attachment 3.1-A
#12.a., Page 5

Supplemental Medicaid Rebate Agreement

Based on the requirements of Section 1927 of the Act, the state has the following policies for the supplemental rebate program for Medicaid:

- a) A rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid population entitled KSSUP2021 has been authorized by CMS effective October 1, 2021.
- b) An amendment to the original rebate agreement, as provided in section a, to make revisions to the original rebate agreement, entitled KSAMEND2021, has been authorized by CMS effective October 1, 2021.
- c) Supplemental rebates received by the state in excess of those required under the national drug rebate agreement will be shared with the Federal government on the same percentage basis as applied under the national drug rebate agreement.
- d) The supplemental rebate agreement is applicable only to Medicaid recipients. This includes Medicaid recipients that are enrolled in a managed care organization (MCO).
- e) CMS has authorized the state to enter into value/outcome-based agreements between the state and drug manufacturers for drugs provided to the Medicaid population. The title of the agreement is Kansas Medicaid Value/Outcomes-Based Agreement (KSVOBA). The effective date for this agreement is January 1, 2025.

Kansas Medicaid recognizes and assures that it will comply with the confidentiality mandate of Section 1927(b)(3)(D) of the Social Security Act.